

STATE BONDING FUND
INVESTMENT PERFORMANCE REPORT AS OF SEPTEMBER 30, 2005

	September-05					August-05				July-05				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Policy	Quarter Net ROR	Month Net ROR	Market Value	Allocation	Policy	Month Net ROR	Market Value	Allocation	Policy	Month Net ROR	Net	Net	6/30/2005 Net	6/30/2005 Net
LARGE CAP DOMESTIC EQUITY																	
<i>Structured Growth</i>																	
Los Angeles Capital	77,294	2.9%	2.8%	5.46%	1.65%	77,076	2.9%	2.8%	-0.55%	77,527	2.9%	2.8%	4.32%	5.46%	7.56%	N/A	N/A
Total Structured Growth	77,294	2.9%	2.8%	5.46%	1.65%	77,076	2.9%	2.8%	-0.55%	77,527	2.9%	2.8%	4.32%	5.46%	7.56%	7.46%	-9.18%
<i>Russell 1000 Growth</i>				4.01%	0.46%				-1.29%				4.89%	4.01%	1.68%	7.26%	-10.36%
<i>Structured Value</i>																	
LSV	77,827	2.9%	2.8%	5.06%	1.27%	77,880	2.9%	2.8%	-0.28%	78,159	2.9%	2.8%	4.04%	5.06%	18.35%	14.73%	14.78%
<i>Russell 1000 Value</i>				3.88%	1.40%				-0.43%				2.89%	3.88%	14.06%	11.00%	6.55%
<i>Russell 1000 Enhanced Index</i>																	
LA Capital	154,375	5.8%	5.6%	6.45%	2.23%	153,056	5.7%	5.6%	0.27%	152,689	5.8%	5.6%	3.84%	6.45%	7.93%	N/A	N/A
<i>Russell 1000</i>				3.95%	0.93%				-0.87%				3.89%	3.95%	7.92%	N/A	N/A
<i>S&P 500 Enhanced Index</i>																	
Westridge	149,468	5.6%	5.6%	3.64%	0.80%	150,291	5.6%	5.6%	-0.89%	151,716	5.7%	5.6%	3.75%	3.64%	6.58%	N/A	N/A
<i>S&P 500</i>				3.60%	0.81%				-0.91%				3.72%	3.60%	6.32%	N/A	N/A
<i>Index</i>																	
State Street	49,517			3.58%	0.80%	49,805			-0.92%	50,264			3.70%	3.58%	6.27%	8.22%	-2.45%
Total Index	49,517	1.9%	1.9%	3.58%	0.80%	49,805	1.9%	1.9%	-0.92%	50,264	1.9%	1.9%	3.70%	3.58%	6.27%	8.22%	-2.45%
<i>S&P 500</i>				3.60%	0.81%				-0.91%				3.72%	3.60%	6.32%	8.28%	-2.37%
TOTAL LARGE CAP DOMESTIC EQUITY	508,482	19.0%	18.8%	4.97%	1.43%	508,109	19.0%	18.8%	-0.40%	510,355	19.2%	18.8%	3.90%	4.97%	8.89%	9.59%	-0.28%
<i>S&P 500</i>				3.60%	0.81%				-0.91%				3.72%	3.60%	6.32%	8.28%	-2.37%
SMALL CAP DOMESTIC EQUITY																	
<i>Manager-of-Managers</i>																	
SEI	168,733	6.3%	6.3%	5.46%	0.91%	171,767	6.4%	6.3%	-2.47%	176,139	6.6%	6.3%	7.16%	5.46%	9.32%	13.32%	N/A
<i>Russell 2000 + 200bp</i>				5.21%	0.48%				-1.69%				6.50%	5.21%	11.64%	15.07%	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	168,733	6.3%	6.3%	5.46%	0.91%	171,767	6.4%	6.3%	-2.47%	176,139	6.6%	6.3%	7.16%	5.46%	9.32%	13.32%	5.50%
<i>Russell 2000</i>				4.69%	0.31%				-1.85%				6.34%	4.69%	9.45%	12.81%	5.71%
INTERNATIONAL EQUITY																	
<i>Large Cap - Active</i>																	
Capital Guardian	112,860	4.2%	4.0%	12.11%	5.23%	111,396	4.2%	4.0%	4.33%	108,499	4.1%	4.0%	2.11%	12.11%	10.32%	7.44%	-3.80%
LSV	113,701	4.2%	4.0%	11.20%	5.88%	111,538	4.2%	4.0%	1.59%	109,873	4.1%	4.0%	3.38%	11.20%	N/A	N/A	N/A
Transition Account	-	0.0%	0.0%	N/A	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Total Large Cap - Active	226,561	8.5%	8.0%	11.67%	5.56%	222,934	8.3%	8.0%	2.95%	218,372	8.2%	8.0%	2.75%	11.67%	13.23%	12.39%	7.26%
<i>MSCI EAFE - 50% Hedged</i>				11.07%	5.36%				1.95%				3.40%	11.07%	14.41%	8.84%	-2.61%
<i>Small Cap - Value</i>																	
Lazard	27,176	1.0%	1.0%	9.94%	2.08%	27,668	1.0%	1.0%	3.65%	26,697	1.0%	1.0%	3.91%	9.94%	18.18%	N/A	N/A
<i>Citigroup Broad Market Index < \$2BN</i>				12.05%	4.70%				3.00%				3.90%	12.05%	21.33%	N/A	N/A
<i>Small Cap - Growth</i>																	
Vanguard	27,496	1.0%	1.0%	10.41%	3.48%	27,599	1.0%	1.0%	2.12%	27,051	1.0%	1.0%	4.48%	10.41%	24.11%	N/A	N/A
<i>Citigroup Broad Market Index < \$2BN</i>				12.05%	4.70%				3.00%				3.90%	12.05%	21.33%	N/A	N/A
TOTAL INTERNATIONAL EQUITY	281,233	10.5%	10.0%	11.37%	5.01%	278,200	10.4%	10.0%	2.93%	272,120	10.3%	10.0%	3.04%	11.37%	15.34%	10.62%	-2.10%
<i>MSCI EAFE - 50% Hedged</i>				11.07%	5.36%				1.95%				3.40%	11.07%	14.41%	8.84%	-2.61%
DOMESTIC FIXED INCOME																	
<i>Core Bond</i>																	
Western Asset	497,705	18.6%	18.3%	-0.41%	-1.00%	496,369	18.6%	18.3%	1.19%	490,678	18.5%	18.3%	-0.59%	-0.41%	7.14%	7.36%	8.59%
<i>Lehman Aggregate</i>				-0.67%	-1.03%				1.28%				-0.91%	-0.67%	6.80%	5.75%	7.40%
<i>Index</i>																	
Bank of ND	460,176	17.2%	18.3%	-0.84%	-1.37%	459,513	17.2%	18.3%	1.50%	452,483	17.1%	18.3%	-0.96%	-0.84%	4.08%	5.66%	7.26%
<i>Lehman Gov/Credit (1)</i>				-0.96%	-1.31%				1.49%				-1.13%	-0.96%	4.80%	5.82%	7.35%
<i>BBB Average Quality</i>																	
Wells Capital (formerly Strong)	492,054	18.4%	18.3%	-1.05%	-1.77%	494,583	18.5%	18.3%	1.50%	487,416	18.4%	18.3%	-0.76%	-1.05%	9.14%	9.20%	N/A
<i>Lehman US Credit BAA</i>				-0.97%	-1.69%				1.48%				-0.74%	-0.97%	8.60%	9.42%	N/A
TOTAL DOMESTIC FIXED INCOME	1,449,935	54.2%	55.0%	-0.76%	-1.38%	1,450,465	54.3%	55.0%	1.40%	1,430,576	53.9%	55.0%	-0.76%	-0.76%	6.14%	6.59%	7.79%
<i>Lehman Gov/Credit</i>				-0.96%	-1.31%				1.49%				-1.13%	-0.96%	7.26%	6.41%	7.70%
CASH EQUIVALENTS																	
<i>Bank of ND</i>																	
90 Day T-Bill	267,314	10.0%	10.0%	0.93%	0.32%	263,305	9.9%	10.0%	0.32%	262,961	9.9%	10.0%	0.29%	0.93%	2.46%	1.74%	2.68%
				0.83%	0.30%				0.29%				0.24%	0.83%	2.15%	1.55%	2.62%
TOTAL BONDING FUND	2,675,696	100.0%	100.0%	2.13%	0.15%	2,671,846	100.0%	100.0%	0.84%	2,652,152	100.0%	100.0%	1.12%	2.13%	6.51%	7.96%	4.19%
<i>POLICY TARGET BENCHMARK</i>				1.62%	0.02%				0.76%				0.84%	1.62%	6.74%	5.58%	3.22%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.